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RESIDENTIAL UTILITY CONSUMER SERVICE
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Janet Napolitano
Governor

Stephen Ahearn
Director

AZ CORP COMMISSION
DOCUMENT CONTROL

October 6, 2006

Commissioner Kristin K. Mayes
Arizona Corporation Commission
1200 West Washington Street
Phoenix, Arizona 85007-2996

Re: Cost of Recent Palo Verde Unit 1 Unplanned Outage; Establishment of a Rate Stabilization Fund; Calculation of Rate Impact of the Parties' Rate Recommendations on Customer Bills; APS General Rate Case; Dockets No. E-01345A-05-0816, E-01345A-05-0826, E-01345A-05-0827.

Dear Commissioner Mayes:

Pursuant to your letter of October 2, 2006, paragraph entitled "Calculation of Rate Impact on Customers' Bills from the Parties' Rate Recommendations", RUCO provides the attached schedule.

RUCO's schedule on lines 1 through 5 displays the impact on Residential E-12 bills with 800 kWhs of consumption of each authorized rate increase or PSA increase since 2005. Displayed on line 6 is the impact of RUCO's proposed rate increase in this docket. We have provided this information for both summer and winter APS rates, since the rates differ. Please note that the bill impacts do not reflect "average" bill impacts since the 800 kWh analysis requested is not the average E-12 consumption. Average impacts would require 1425 kWhs for summer rates, and 899 kWhs for winter rates.

If RUCO can be of further assistance, let us know.

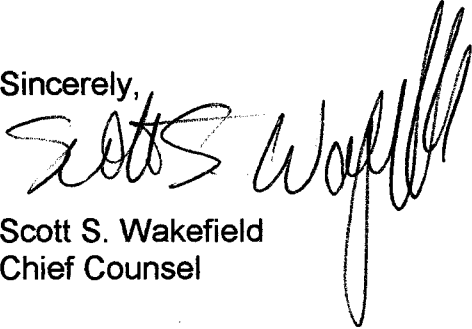
Arizona Corporation Commission
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Commissioner Kristin K. Mayes
October 6, 2006
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Sincerely,

A handwritten signature in black ink, appearing to read "Scott S. Wakefield". The signature is fluid and cursive, with the first name "Scott" being more legible than the last name "Wakefield".

Scott S. Wakefield
Chief Counsel

Attachment

cc: Chairman Jeff Hatch-Miller
Commissioner William A. Mundell
Commissioner Mike Gleason
Commissioner Barry Wong
Brian McNeil
Ernest Johnson
Heather Murphy
Docket
Parties of Record (via email)

ARIZONA PUBLIC SERVICE COMPANY
IMPACT OF RATE INCREASES ON AVERAGE RESIDENTIAL BILLS
RESPONSE TO COMMISSIONER MAYES OCTOBER 2, 2006 LETTER
SUBMITTED BY RUCO

LINE NO.	DESCRIPTION	SUMMER USAGE	INCREMENTAL % INCREASE	INCREMENTAL \$ INCREASE	WINTER USAGE	INCREMENTAL % INCREASE	INCREMENTAL \$ INCREASE
	PREVIOUS						
1	BILL PRE-2005 RATE INCREASE	\$78.44			\$68.72		
	CURRENT:						
2	BILL WITH 2005 RATE INCREASE (DEC. #67744)	\$80.71	2.89%	\$2.27	\$67.10	-2.36%	-\$1.62
3	BILL WITH FEB 2006 PSA ADJUSTOR (DEC. #68437)	\$83.91	3.96%	\$3.20	\$70.30	4.77%	\$3.20
4	BILL WITH APRIL 2006 PSA SURCHARGE (DEC. #68646)	\$84.35	0.53%	\$0.44	\$70.74	0.63%	\$0.44
5	BILL WITH MAY 2006 INTERIM PSA ADJUSTOR (DEC. #68685)	\$89.95	6.64%	\$5.60	\$76.34	7.92%	\$5.60
	PROPOSED:						
6	BILL WITH RUCO PROPOSED INCREASE	\$94.21	4.73%	\$4.25	\$78.79	3.20%	\$2.44
7	CUMMULATIVE INCREASE		20.10%	\$15.77		14.65%	\$10.07

DATA INPUTS:

USAGE 800 800

MONTHLY SERVICE CHARGE
CURRENT RATES \$7.59 PROPOSED RATES 7.59

SUMMER - 1ST 400 0.0757
2ND 400 0.10556
OVER 800 0.12314

WINTER - ALL USAGE 0.07361

CRCC SURCHARGE 0.000338

PSA ADJUSTOR 0.004

EPS SURCHARGE 0.35

DSM SURCHARGE 0

PSA SURCHARGE 0.000554

PSA INTERIM ADJUSTOR 0.007